State Of New Mexico Energy, Minerals and Nat ral Resources Department

Michelle Lujan Grisham

Govenor

Sarah Cottrell Propst

Cabinet Secretary

Todd E. Leahy, JD, PhD

Deputy Cabinet Secretary

Gabriel Wade

Division Director



LETTER OF VIOLATION - Field Inspection

"Response Required - Deadline Enclosed"

Field Inspection Program "Preserving the Integrity of Our Environment"

15-Feb-19

CONOCOPHILLIPS COMPANY

P.O.Box 2197 Office EC3-10-W285 Houston, TX 77252

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

[30-025-07864] SEMU PERMIAN #026

OGRID: 217817

E-30-20S-38E 1980 FNL 660 FWL

Inspection Date

Type Inspection

Inspector

Corrective Action Due By

Inspection No.

2/12/2019

Routine Inspection

y hobenson

[GR] Gary Robinson

5/13/2019

iGR194428027

Violations:

Rule

Violation

Comment

19.15 Oil and Gas Mechanical Integrity Failure Recorded Auto Generated Violation - MIT Failure exits.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By;" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

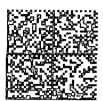
Sincerely,

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Oil Conservation Division * 1625 N. French Drive * Hobbs, NM 88240 Phone: 575-393-6161 * Fax: 575-393-0720 * www.emnrd.state.nm.us

EMNRD OIL CONSERVATION DIVISION 1625 N FRENCH DRIVE HOBBS NM 88240



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CONOCO/PHILLIPS COMPANY P.O. BOX 2197 **OFFICE EC3-10-W285** HOUSTON, TX 77252